

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

IN RE:
NAVARRE CORPORATION
SECURITIES LITIGATION

CIVIL NO. 05-1151 (PAM/RLE)

This Document Relates to:

ALL ACTIONS

REPORT AND RECOMMENDATION RE:
ORDER APPROVING PLAN OF ALLOCATION OF SETTLEMENT PROCEEDS

The above matter came on for hearing before the undersigned on February 7, 2008 upon Plaintiffs' Motion for Class Certification and Approval of Plan of Allocation of Settlement Proceeds [Docket No. 108]. Ellen G. Stewart, Esq. and Garrett D. Blanchfield, Jr., Esq. appeared on behalf of plaintiffs; Geoffrey P. Jarpe, Esq. appeared on behalf of defendants. The matter was referred to the undersigned by the District Court for a Report and Recommendation pursuant to 28 U.S.C. § 636 (b)(1)(B).

The Court, having considered all the papers filed and proceedings conducted herein, having found the settlement of this litigation to be fair, reasonable, and adequate and otherwise being fully informed in the premises and good cause appearing therefore;

IT IS HEREBY RECOMMENDED that Plaintiffs' Motion for Class Certification and Approval of Plan of Allocation of Settlement Proceeds [Docket No. 108] be granted and an Order be issued that reads as follows:

1. For purposes of this Order, the terms used herein shall have the same meanings as set forth in the Stipulation and Agreement of Settlement dated as of October 5, 2007 (the "Stipulation").

2. Pursuant to and in full compliance with Rule 23 of the Federal Rules of Civil Procedure, this Court hereby finds and concludes that due and adequate notice was directed to all Persons and entities who are Class Members advising them of the Plan of Allocation and of their right to object thereto, and a full and fair opportunity was accorded to all Persons and entities who are Class Members to be heard with respect to the Plan of Allocation.

3. The Court hereby finds and concludes that the formula for the calculation of the claims of Authorized Claimants which is set forth in the Memorandum of Points and Authorities in Support of Class Certification and Approval of Plan of Allocation of Settlement Proceeds, submitted herewith, and in the Notice of Pendency and Proposed Settlement of Class Action (the "Notice") sent to Class Members, provides a fair and reasonable basis upon which to allocate the proceeds of the Net Settlement Fund established by the Stipulation among the Class Members, with due consideration having been given to administrative convenience and necessity. This Court hereby finds and concludes that the Plan of Allocation set forth in the Notice is in all respects fair and reasonable and the Court hereby approves the Plan of Allocation.

Dated: February 13, 2008

s/ Janie S. Mayeron

JANIE S. MAYERON

United States Magistrate Judge

Pursuant to Local Rule 72.2(b), any party may object to this Report and Recommendation by filing with the Clerk of Court, and by serving upon all parties on or before March 3, 2008 a copy of this Report, written objections which specifically identify the portions of the Report to which objections are made and the bases for each objection.